

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7685**

**BILL NUMBER: HB 1894**

**DATE PREPARED: Jan 8, 2001**

**BILL AMENDED:**

**SUBJECT:** Voluntary annexations.

**FISCAL ANALYST:** Chris Baker

**PHONE NUMBER:** 232-9851

**FUNDS AFFECTED:**      **GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill specifies that with respect to an annexation initiated by all property owners of the area to be annexed: (1) the municipality must give notice of the hearing at least 48 hours before the hearing in accordance with the Open Door Law; (2) a remonstrance may not be filed; and (3) the annexation takes effect at least 30 days after the annexation ordinance is published.

**Effective Date:** July 1, 2001.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** If an ordinance is not introduced by the legislative body within 60 days of filing a petition, a duplicate petition may be filed. A remonstrance may not be filed, if 100% of all land owners of the territory to be annexed sign the petition. These provisions would speed up the time period that an ordinance may be adopted to approve annexation.

When territory is annexed, services are to be extended to that territory. The extension of services to this new territory would create additional expenditures for the municipality. If annexation does not take place, then the municipality would not have to make these expenditures. Generally, annexation of territory into a municipality increases the property tax base. The taxpayers of the newly annexed areas usually experience a rate increase in property taxes, while existing taxpayers of the municipality may experience a rate reduction.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Legislative bodies; Circuit and Superior County Courts.

**Information Sources:**